Congress of the United States

Washington, DC 20515

December 12, 2024

The Honorable Tom Cole
Chair
Committee on Appropriations U.S. House of
Representatives Washington, D.C. 20515

The Honorable Rose DeLauro
Ranking Member
Committee on Appropriations U.S. House of
Representatives Washington, D.C. 20515

The Honorable Patty Murray
Chair
Committee on Appropriations U.S. Senate
Washington, D.C. 20510

The Honorable Susan Collins
Ranking Member
Committee on Appropriations U.S. Senate
Washington, D.C. 20510

Dear Chair Cole, Ranking Member DeLauro, Chair Murray, and Ranking Member Collins,

We write to request that in the upcoming appropriations bill, you include a disaster supplemental that includes funding and policy changes necessary to update the Federal Emergency Management Agency's (FEMA) flood maps, expedite federal processes for floodplain buyouts, and create a National Catastrophe (CAT) modeling platform. Congress must swiftly pass this package so communities devastated by the recent hurricanes, Helene and Milton, can begin to respond, recover, and rebuild.

Hurricanes Helene and Milton have underscored the importance of ensuring that FEMA's flood maps are accurate, up-to-date, and better account for future heavy rainfall. FEMA's flood maps identify Special Flood Hazard Areas (SFHAs) that have at least a 1% chance of flooding each year, or put differently, a one-in-four chance of flooding over the course of a 30-year mortgage.[1] Banks, credit unions, and other lenders are required to ensure borrowers have flood insurance coverage for any mortgage on a property located in an SFHA.[2] However, FEMA's flood maps are notoriously incomplete and outdated.[3] For example, a 2020 report estimated that FEMA has produced flood hazard maps that account for only one-third of the nation's streams and less than half of its shoreline.[4] Furthermore, a 2023 study found that one-quarter of all maps were 15 years old, and over half were more than five years old.[5] As a result, FEMA's maps do not account for areas that are currently experiencing or are expected to experience major flooding due to record rainfalls. Inaccurate maps leave homeowners unaware of potential flood risks to their property and whether they may need flood insurance to mitigate these risks, which results in greater losses due to uninsured and unmitigated damages.[6]

Hurricane Helene served as a prime example of the negative effects of outdated and impartial flood mapping. For example, within the counties that were declared federal disaster areas affected by Hurricane Helene, just 2% of affected households were estimated to have had flood insurance coverage through FEMA's National Flood Insurance Program (NFIP).[7] This means the majority of households will not receive insurance payouts for flood

[1] "Flood Maps," https://www.fema.gov/flood-maps; "FEMA Flood Maps and Zones Explained," 4 Apr. 2018, https://www.fema.gov/blog/fema-flood-maps-and-zones-explained.

[2] *Supra* note 1.

[3] "Extreme floods expose the flaws in FEMA's risk maps," 6 Dec. 2022, https://www.washingtonpost.com/climate-environment/interactive/2022/fema-flood-risk-maps-failures/.

[4] "Flood Mapping for the Nation," https://asfpm-library.s3-us-west-2.amazonaws.com/FSC/MapNation/ASFPM_MaptheNation_Report_2020.pdf.

[5] "Potential Flood Map Inaccuracies in the Fed's Second District," 10 Nov. 2023, https://libertystreeteconomics.newyorkfed.org/2023/11/potential-flood-map-inaccuracies-in-the-feds-second-district/.

[6] *Supra* note 4.

[7] "It's going to be a mess': The flood insurance crisis following Helene's wreckage," 2 Oct., 2024; *See also* "Homeowners hit by Hurricane Helene face the grim task of rebuilding without flood insurance," 5 Oct. 2024, https://apnews.com/article/hurricane-helene-flooding-insurance-water-

damage. This is true in many mountainous areas whose flood risk goes under-mapped by FEMA.[8] Climate change will continue to expand the frequency and intensity of extreme weather events, putting more areas at risk of flooding, including those currently under-designated as high-risk flood zones.[9] For example, record-hot water temperatures in the Gulf of Mexico made Hurricane Helene's rainfall 10% heavier, causing up to $30 billion in estimated uninsured flood losses.[10] It is important that FEMA has the data and resources necessary to consider rapidly changing weather patterns and conditions when mapping flood-prone areas.

In addition to mapping, flood mitigation efforts are critical. For example, voluntary floodplain buyouts can help reduce long-term flood risk.[11] Through several federal disaster recovery programs, FEMA and the Department of Housing and Urban Development (HUD) provide funding for state and local governments to purchase flood-prone properties and convert the land to open space that will help to absorb water during future rainfall and reduce flood risk.[12] However, the current buyout processes can be unduly lengthy, with some studies showing that the average buyout project takes more than five years, which is exacerbated when funding for federal buyout programs is insufficient to cover buyouts for all requested properties.[13] Furthermore, buyouts can entail lengthy processes that may lead to less participation among lower-income households where residents are more likely to lack savings or access to other housing alternatives that may incentivize them to instead rebuild or sell their home before a buyout is completed.[14] Robust funding for FEMA's Hazard Mitigation Assistance (HMA) grant programs and other relevant programs like HUD's Community Development Block Grant–Disaster Relief Program (CDBG-DR), coupled with policy improvements to reasonably speed up buyout timelines, could help make flood buyouts more accessible, equitable, and efficient. For example, FEMA could be empowered to pre-approve buyouts for certain high-priority properties, such as severe repetitive loss properties under the NFIP.[15] In addition, it would be prudent to ensure that any additional assistance to address recurrent flooding, including buyout offers, is not limited to communities located in FEMA-designated SFHAs given the aforementioned flaws in FEMA's flood maps.

Lastly, the rising costs from climate disasters have disrupted insurance markets, including the cost of reinsurance, prompting large insurance companies to withdraw from flood- and fire-prone areas.[16] This in turn has hampered the affordability and availability of homeowners insurance nationwide.[17] The use of black box algorithms to assess potential losses due to catastrophic events and set rate request increases from state

damage-fema-disaster-recovery-07bbf25fba01c2fac5f66dd6ac56e0ee.

[8] Many Americans are buying homes in flood zones—and don't realize it," 11 Oct. 2024, https://www.nationalgeographic.com/science/article/flood-maps-fema-risk-insurance.

[9] "Flooding and Climate Change: Everything You Need to Know," 3 Nov. 2023, https://www.nrdc.org/stories/flooding-and-climate-change-everything-you-need-know#facts.

[10] "Climate change key driver of catastrophic impacts of Hurricane Helene that devastated both coastal and inland communities," 9 Oct. 2024, https://www.worldweatherattribution.org/climate-change-key-driver-of-catastrophic-impacts-of-hurricane-helene-that-devastated-both-coastal-and-inland-communities/; "CoreLogic: Final Estimated Damages for Hurricane Helene to be Between $30.5 Billion and $47.5 Billion," 4 Oct. 2024, https://www.corelogic.com/press-releases/corelogic-final-estimated-damages-for-hurricane-helene-to-be-between-30-5-billion-and-47-5-billion/#:~:text=Origination-,Insurance,breakdown%20of%20peril%20loss%20estimates.

[11] "Floodplain Buyouts: Federal Funding for Property Acquisition" 28 May 2024, https://crsreports.congress.gov/product/pdf/IN/IN11911.

[12] ; "Managed retreat through voluntary buyouts of flood-prone properties," 9 Oct. 2019, https://www.science.org/doi/10.1126/sciadv.aax8995.

[13] "Floodplain Buyouts: Federal Funding for Property Acquisition," https://crsreports.congress.gov/product/pdf/IN/IN11911

[14] *Supra* note 13; "Equitable buyouts? Learning from state, county, and local floodplain management programs," 26 Oct. 2022, https://link.springer.com/article/10.1007/s10584-022-03453-5.

[15] "Flood Mitigation: Actions Needed to Improve Use of FEMA Property Acquisitions," 13 Sep. 2022, https://www.gao.gov/products/gao-22-106037.

[16] "Insurers such as State Farm and Allstate are leaving fire- and flood-prone areas. Home values could take a hit," 5 Feb. 2024, https://www.cnbc.com/2024/02/05/what-homeowners-need-to-know-as-insurers-leave-high-risk-climate-areas.html.
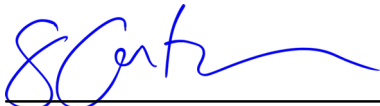
[17] *Supra* note 16.

insurance regulators is further exacerbating the issue of rising home insurance premiums.[18] In response, the White House proposed last year to "create a National Catastrophic Modeling platform able to quantify extreme weather risks, integrating the effects of climate change, and provide recommendations on agencies suitable to host such a platform."[19] Such a platform would serve as a reliable, public source of models, methodologies, and related data for federal, state, and local governments to help determine where it would be most effective to prioritize climate resilience and risk reduction resources.
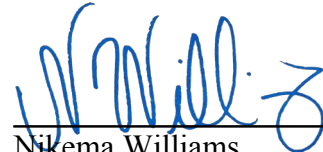
In addition, a public platform would increase transparency, accountability, and comparability for insurers' use of black box methods, which often includes proprietary data, to set premium prices. For example, California recently announced a proposal to create a public catastrophe model for wildfires, which will provide a public benchmark to "keep insurance rates fair and accurate."[20] We believe the federal government should work to deliver these same benefits to insurance policyholders and researchers by creating a public catastrophe model platform capable of analyzing a comprehensive range of climate-related perils and to help reduce the cost burden of losses on the federal government. To ensure our communities are well-equipped to respond to future climate crises, we respectfully ask that the upcoming appropriations bill include a disaster supplemental that prioritizes funding for flood mitigation measures and a national CAT modeling platform.

We stand ready to ensure the federal government and disaster prone and affected communities have what they need to recover from Hurricanes Helene and Milton, as well as future climate disasters.
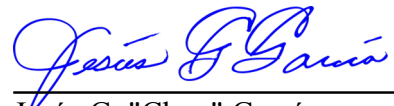
Sincerely,

Sean Casten
Member of Congress

Nikema Williams
Member of Congress

Maxine Waters
Ranking Member, Committee on
Financial Services

Jesús G. "Chuy" García
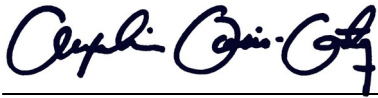Member of Congress

Kevin Mullin
Member of Congress

Dan Goldman
Member of Congress

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[18] Testimony of Douglas Heller, 7 Sep. 2023, https://www.banking.senate.gov/imo/media/doc/heller_testimony_9-7-23.pdf.

[19] "Tools to support the management of near-term macroeconomic and financial climate risks," 22 Dec. 2023, https://www.whitehouse.gov/wp-content/uploads/2023/12/Memo_Tools-for-Near-Term-Climate-Risk-Management.pdf.

[20] "Commissioner Lara and Cal Poly Humboldt announce joint effort to create nation's first public wildfire catastrophe model," 17 Sep. 2024, https://www.insurance.ca.gov/0400-news/0100-press-releases/2024/release043-2024.cfm.
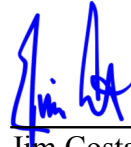
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Erica Lee Carter
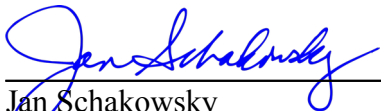Member of Congress

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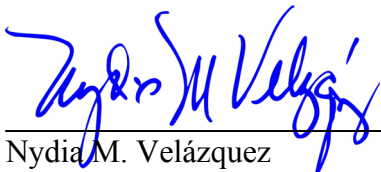Emanuel Cleaver, II
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Member of Congress
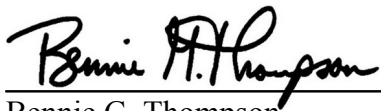
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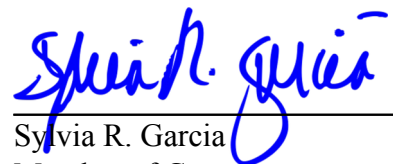Member of Congress

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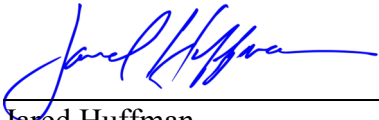Member of Congress

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